



Malting barley proposal 2017

Irish malting barley is a premium fully traceable GM free crop with a unique provenance. Irish malting barley growers have for generations been proud of the barley that they grow for brewing and distilling with a commitment to quality such that it is recognised as being one of the best malting barleys in the world.

Irish brewers and distillers, large and small, recognise the quality of the product and the importance of its Irish origin.

However at 2016 prices, growers are not getting the recognition of the premium they need to compete with other agricultural sectors. While we welcome the rapid growth of the Irish craft beer and distilling industries, the farmers' incomes from supplying these industries are declining rapidly. In fact feed barley is currently on a par with malting barley as regards income, or lack thereof, this has reached crisis point.

The following proposal was approved at a recent meeting of our association :

- Base price of malting barley @20% moisture for 2017 of:
 - €195 ex VAT for brewing malting barley; and
 - €220 ex VAT for distilling malting barley.

These figures are based on Teagasc 2016 costings with feed barley at €150 / tonne, with a target yield of 3 tonne malting barley versus 4 tonne for feed winter barley. The price is also based on a 25% average failure rate of crops at harvest time due to the ever increasing specifications and delivery being restricted to contracted tonnage. The distilling price is based on a reduced yield of 1/3 tonne per acre through reduced fertiliser use to try achieve the lower protein requirements.

Price above this base to be linked to a forward selling mechanism in as simple a model as possible related to the current markets to avoid confusion.

- Growers to receive contract details by 31st of January 2017;

- Growers to receive contract details for 2018 by 30th September 2017;
- Growers to be given 4 weeks to return contract.
- Levy payment optional on contracts.
- Seed varieties to be fit for purpose to maximise yield and avoid issues like skint grain etc. Price of seed to be a maximum of €400 / tonne for all varieties with no add ons.
- Farmer given the option of taking home sample for loads delivered.
- Transport allowance of €5 /tonne (due to new trailer rules by RSA and other merchants giving a transport allowance)
- Increase protein levels to 11.2% for brewing and 9.4% for distilling grain at delivery.
- Restrict access to farmer's land by company staff to appointments only and remove "unfettered access" by companies from contracts.
- Allow a grower to delivery up to 10% or to a max of 30 tonne of contract malting barley between 21.5% and 23% moisture in a difficult harvest.

Irish Grain Growers Association is making a stand. The time has come for growers to come together and be vocal to highlight the fact that we are not part of the good news story that is the Irish brewing and distilling industry. We ask all tillage farmers and those who wish to see Irish malting barley used in the production of Irish whiskey and beer to back our proposal.

Thank you.

Irish Grain Growers Association.